



ABAQULUSI MUNICIPALITY

(Vryheid)

**ANNUAL FINANCIAL
STATEMENTS**

for the year ended

30 June 2006

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillors:

G M Dlamini	Chairperson: Local Economic and Development Portfolio
SE Qwabe	Chairperson: Development Planning and Tourism Portfolio
E J S Moolman	Chairperson: Community Services Portfolio
J J Jones	Chairperson: Infrastructure Portfolio
E C TSHIGENG	Member of Exco
S B DLODLO	Speaker
W F BURGER	Member of Exco
M B KHUMALO	Member of Exco

GRADING OF MUNICIPALITY

GRD 8

AUDITORS

Office of the Auditor-General

BANKERS

ABSA

REGISTERED OFFICE

	Postal Address	Telephor)348822133
c/o Mark & High Street	P O Box 57	Fax: 349809637
VRYHEID	VRYHEID	
3100	3100	

MUNICIPAL MANAGER

Acting Municipal Manager Mr. C Lourans

CHIEF FINANCIAL OFFICER

Mr. P.J. Oosthuysen

MAYOR

G M Dlamini

SPEAKER

S B Dlodlo

ABAQULUSI LOCAL MUNICIPALITY

**CERTIFICATE OF REMUNERATION AND IN-KIND
BENEFITS OF COUNCILLORS**

I, the undersigned, am responsible for the preparation of these annual financial statements, which are set out on pages 6 to 31, in terms of Section 124(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits as disclosed in note 14 of these annual financial statements, are within the upper limits of the framework envisaged in Section 219 of the Constitution and the Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.



Municipal Manager

2006/10/02

FOREWORD BY HIS WORSHIP THE MAYOR

The last financial year 2005/2006 was infested with happenings detrimental to the normal running of the municipality. In its start there were investigation towards dissolution and thereafter dissolution itself, coupled with the elections for new term of local government, as well as the budgeting for 2006/2007 which took place late since council had been dissolved.

There were some good happenings, like we worked on the introduction of the free basic services, which helped a great deal to differentiate between the indigent people who cannot afford to pay and the consumers who can afford. This played a role in reducing non-differentiated resistance to pay since people could no longer hide collectively behind the pretext of poverty to avoid payment. In meetings utterances suggesting that the municipality is unreasonable for charging an increased tariff in spite of poverty, reduced with the introduction of free basic service to indigent.

It is worth noting that the free basic service had its dark side. The fact that we got little share of the subsidy for free basic service, from the government, compared to the long list of the indigent people who should get the free basic service is one bad spot which blemished our credit control policy, such that even during the Premier and Cabinet Imbizo which took place in August 2006, it did surfaced that there are indigent people for whom we have not yet afforded free basic service.

The electricity losses slightly dropped from 18.21% to 14% during the prior financial year and the water losses have dropped slightly from 64.88% to 63.3% and our revenue collection was approximately 95%.



MAYOR GM DLAMINI
CHAIRMAN OF THE EXECUTIVE COMMITTEE

CHIEF FINANCIAL OFFICER'S REPORT

Introduction

1. Operational Results

Details of operating results per department classification and object of expenditure are included in appendices / annexure D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2006 are as follows:

Operating Income	144 264 306	106 098 540			
Operating Expenses	139 214 366	105 645 535			
Operating surplus/Deficit	5 049 940	453 005	8.97	-	
Opening Accumulated Surplus					
Appropriation for the year	35 983	(1 225 412.0)	-3 406		-
Inappropriate Surplus	5 085 923	-772 407			

1.1 The individual services operating results are as follows:

Rates and General Services					
Income	82 408 031	51 968 118	63.1		#DIV/0!
Expenditure	80 076 981	53 379 865	67		#DIV/0!
Surplus (Deficit)	2 331 050	(1 411 747)	-61	-	#DIV/0!
Housing Services					
Income	61 814 651	59 115 653	95.6		
Expenditure	59 115 653	52 239 757	88		
Surplus (Deficit)	2 698 998	6 875 896	255	-	
TRADING SERVICES					
Electricity Services					
Income	50 707 337	44 885 289	88.5		
Expenditure	47 935 890	42 429 158	88		
Surplus (Deficit)	2 771 447	2 456 131	89	-	
Water Services					
Income	11 107 314	9 191 876	82.8		
Expenditure	11 179 763	9 816 589	88		
Surplus (Deficit)	(72 449)	(624 713)	-862	0	

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets incurred during the year amounted to R 22 096 865

2.1 The expenditure on the individual services is as follows:

Rates and General	5 408 014	-	12 474 141.0
Electricity	1 973 197	-	3 322 115
Water	7 243 487	-	4 084 808
Direct Expenditure			
Pf Fund	-	-	-
Housing	7 471 167.78	-	13 251 258.00
TOTAL			

Refer to Annexure "C" for more detail

2.2 Resources used to finance the fixed assets were as follows:

Loans: Capital Development Fund	6 320 515	5 570 257
From: Income	750 848	548 215
Improvement Fund	-	-
Grants and Donations	15 025 502	26 993 850
TOTAL	22 096 865	33 112 322

3. External Loans, Investments and Cash

On 30 June 2006 the outstanding external loans amounted to R 22,543 (R 22 543 on 30 June 2005) as set in annexure "B".

On 30 June 2006 investments and cash on hand amounted to R 35 541 270.54; (R 44 7460 769 on 30 June 2005) an decrease of 8,35%. More information regarding external loans and investments are disclosed in notes 4; 7; 21; 22 and 23 and annexure "B".

A provision of R 3,573,244 for a possible irrecoverable investment has been created in 2000/2001. This is in respect of a long term (5 years) investment that was made with First National Bank, where a consultant utilised to do the investment, committed f

4. Debtors

On 30 June 2005, the total outstanding debtors amounted to R 25 643 332.16 (R 15 522 844 on 30 June 2005). This is the outstanding amounts after the Provision for Doubtful Debtors to the amount of R 16 846 477.6 was deducted from the debtor

More information regarding debtors and long term debtors are disclosed in notes 8 and 10.

5. Funds and Reserves

More information regarding funds and reserves are disclosed in notes 1; 2; 3 and 11 and Annexure "A".

6. Section 21 Company

Council resolved on 25 January 1999 to be a member of the Munsoft 2010, 21 Section Company of which the objects are as follows:

- To enter into agreements with a software firm for the conversion of the Munpak / Munsoft packages and the development of the Munsoft 2010 system and all future revisions thereof.
- To enter into agreement with a third party for the marketing of Munsoft 2010;
- To collect and administer all monies due to the software firm for the conversion and development referred to above and remit same to the firm;
- To collect and all monies due from future sales of Munsoft 2010 and deal therewith as decided by the shareholders in terms of the law

The User group, of which Abaquland Municipality is a member, is the owner of the system, Munsoft 2010.

An amount of R 3 687 450 was paid for the conversion and implementation of Munsoft 2010. The new developer De Lottie & Touche (CICS) will now implement a new developed system called Munsoft Classic, which system has been approved for development and impl

7. Appreciation

I would like to thank the Mayor, and members of the Executive Committee, other Councilors, the Municipal Manager, Executive Managers and Speaker for the support they have given me and my personnel during the year. A special word of thanks to the person



PJ DOSTHUYSEN
CHIEF FINANCIAL OFFICER
REGISTERED MUNICIPAL ACCOUNTANT ; ASSOCIATE

AbaQulusi Municipality Accounting Policy

1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform to standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for the Accountants of Local Government (1992) and the Report on the Standardisation of the Financial Statements of Local Governments.
- 1.2 The accounting policies are consistent with those applied in the previous year.
- 1.3 The financial statements are prepared on the historic cost basis, adjusted for capital expenditure as more fully detailed in Note 6
- 1.4 The financial statements are prepared on the accrual principle:
- Income is accrued when collectable and measurable. Certain direct revenue is accrued when received, such as traffic fines and certain licenses
 - Expenditure is accrued in the year it is incurred.

2. CONSOLIDATION

The balance sheet includes Rate and General Service, Housing Service, Trading Services the different funds, reserves and provisions.

3. FIXED ASSETS

3.1 Fixed assets are stated:

- At historical cost,
- or at valuation (based on the market price at date of acquisition), where assets have been obtained by grant or donation.
- While in existence or fit for use.

3.2 Depreciation

The balance shown against the heading "*Loans redeemed and other capital receipts*" in the Notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of these "*provisions*" assets are written down over their estimated life span. Apart from advances from various Council funds, assets may also be acquired through -

- appropriation from income, where the full cost of the asset forms an immediate and direct charge against operating income and therefore it is unnecessary to make any further provision for depreciation;
- grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "*Loans redeemed and other capital receipts*" account.

- 3.3 All net proceeds from the sale of fixed property are credited to the Public Improvement Fund. Net proceeds from the sale of all other assets are credited to the Capital Development Fund

AbaQulusi Municipality Accounting Policy

- 3.4 Capital assets are financed from different sources, including external loans, operational income, endowments and internal advances. These loans and advances are repaid over the useful life of the assets concerned. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

4. STOCK

Stock is valued at the lower of cost, determined on the average basis, and the nett realisable value

5. FUNDS

5.1 Capital Development Fund

The Ordinance requires a minimum contribution of 3,0% of the defined income. The fund is used to finance capital expenditure, and the surplus funds are invested.

5.2 Public Improvement Fund

The fund is used to finance capital expenditure, and the surplus funds are invested.

5.3 Loans Redemption Fund

Provision is made for the redemption of the fixed term external loans over the authorized periods of the loans. These provisions are credited to the fund which is fully invested.

5.4 Insurance Fund

Any asset which may not be covered by Council's Insurance, to a maximum of R55 000.00 are covered by the Insurance fund. Excess amounts, where there have not been budgeted for, are debited against the Insurance Fund. Any amount received from Council's Insurance in excess of the actual claim, is credited to the insurance fund. Council yearly provide for a contribution to the insurance fund in the Operating budget.

The Chief Financial Officer is authorized to authorize and incur expenditure in accordance with the aforesaid policy guidelines.

5.5 Bursary Fund

Council grants financial assistance to a maximum amount of R4000 per year to employees only, which amount is deducted monthly, which amount can be refunded to the student should he/she pass his/her subjects for the year on certain conditions.

6. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost for internal support services are transferred to the different services in accordance with the Institute of Municipal Finance Officers Report or Accounting for Support Services (June 1990).

AbaQulusi Municipality Accounting Policy

7. INVESTMENTS

Investments are shown at cost and are in securities prescribed in the Councilor's of Investment Policy.

8. PROVISIONS

Provisions are created for liabilities or contingencies which are known at the date of the balance sheet, but for which the amounts involved cannot be determined with substantial accuracy.

8.1 Provisions for Doubtful Debtors

All consumer debtors, 120 days and older are regarded as doubtful on 30 June of each year but as a result of budget constraints it is not possible to increase the provision to the level, it should be. (As a result of stricter control measures the Council succeeds in reducing the outstanding debtors).

9. INCOME RECOGNITION

9.1 Assessment Rates:

- Assessment rates are levied on land values only.
- Relief based on conditions relating to age and income was provided to the needy aged owners of property.
- Indigent consumer which land value is less than R 6000 is exempt from paying rates.

9.2 Electricity & Water Billing:

Meters on all properties are read monthly and billed accordingly on a monthly basis.

10. RETIREMENT BENEFITS

Employees contribute to the KwaZulu-Natal Joint Municipal Provident Fund, Natal Joint Municipal Pension (Retirement) Fund and Old Mutual Employee Benefits SALA, all of which provide retirement benefits to such employees.

The retirement benefit plan is subject to the Pension Funds Act, with pensions being calculated on the final pensionable remuneration paid. Current contributions by the Municipality are charged against operating income on the basis of current service costs.

Full actuarial valuations are performed in compliance with Section 16 of the Pension Funds Act.

11. BORROWING COSTS

The costs of borrowing are expensed in the year to which they relate.

AbaQulusi Municipality Accounting Policy

12. SURPLUSES AND DEFICITS

Surpluses and deficits arising from the operations of the Electricity, Water and Housing Services are carried over to the Rates and General Services.

13. INDIGENT RELIEF SUPPORT RESERVE

The Indigent Relief Support Reserve has been created as a result of grants received for the specific purpose and is utilized for households who qualify for the support in terms of the Indigent Relief Support Policy.

If affordable in a specific financial year, a portion of the equitable share received is credited to this Reserve. All grants received from Provincial and National Government the purpose in previous years was credited to the reserve fund.

CAPITAL EMPLOYED	Notes	30/06/2004	30/06/2003
FUNDS AND RESERVES		88 818 870	88 794 442
Accumulated reserves	1	88 818 870	88 897 591
Reserves	2	-	(203 149)
Accumulated surplus / (deficit)	18	10 063 200	4 987 189
Trust Funds	3	388 733	382 581
Long term liabilities	4	22 543	22 543
Consumer deposits: Services	5	8 034 293	4 544 710
		<u>104 117 339</u>	<u>96 711 448</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	61 782 564	60 123 513
INVESTMENTS	7	11 508 380	10 171 480
LONGTERM DEBTORS	8	-	-
		<u>73 090 944</u>	<u>70 294 993</u>
NET CURRENT ASSETS (LIABILITIES)		31 826 385	26 416 452
CURRENT ASSETS		62 583 736	62 118 962
Stock	9	2 701 532	2 849 500
Debtors	10	25 643 332	15 522 544
Bank Balance	23	5 850 270	3 072 283
Cash	23	5 970	5 970
Short-term investments	7	20 378 641	30 858 276
Short-term Portion: Long Term Debtors	8	5 990	5 990
CURRENT LIABILITIES		21 557 350	25 699 500
Provisions	11	1 305 499	1 102 820
Creditors	12	20 251 851	24 596 680
		<u>104 117 339</u>	<u>96 711 448</u>

2004/2005 Actual Income	2004/2005 Actual Expenditure	2004/2005 Actual Surplus (Deficit)	SERVICE	2005/2006 Actual Income	2005/2006 Actual Expenditure	2005/2006 Actual Surplus (Deficit)	2005/2006 Budget Surplus (Deficit)
61 988 118	63 379 865	(1 411 747)	RATES AND GENERAL SERVICES	82 408 031	80 878 981	2 331 060	-
33 824 053	28 788 168	5 035 885	Community Services	61 357 590	53 361 208	7 996 382	-
1 853 402	11 396 531	(9 743 129)	Subsidised Services	2 059 943	11 236 443	(9 176 500)	-
16 490 663	13 195 168	3 295 497	Economical Services	18 948 873	15 457 598	3 491 275	-
53 257	25 813	27 344	HOUSING SERVICES	41 625	21 732	19 892	-
54 077 185	52 238 767	1 837 408	TRADING SERVICES	61 814 651	59 115 653	2 698 998	-
108 098 540	108 545 535	453 005	TOTAL	144 264 308	138 214 388	6 049 940	-
		(1 225 412)	Appropriation for the year (refer note 18)			35 983	
		(772 407)	Net Surplus / (Deficit) for the year			5 085 923	
		5 758 576	Unappropriated Surplus/(Deficit) at the beginning of the year			4 987 169	
		4 987 169	Unappropriated Surplus/(Deficit) at the end of the year			10 073 092	

		30/06/2006	30/06/2005
CASH RETAINED FROM OPERATIONAL ACTIVITIES		19 879 663	27 537 277
Cash generated by operations	19	14 121 547	3 083 751
Investment income	17	2 883 007	2 680 576
(Increase) / decrease in operating capital	20	(13 827 876)	12 311 475
		2 976 877	18 075 802
Less: External interest paid	17	-	(29 133)
Cash available from (utilised in) operations		2 976 877	18 046 669
Cash contributions from government and public		16 902 986	9 490 608
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets	C	(22 096 865)	(33 112 323)
NET CASH FLOW		<u>(2 217 201)</u>	<u>(5 575 046)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (decrease) in longterm loans	21	-	(2 300 000)
(Increase) / decrease in cash investments	22	9 145 724	2 385 232
(Increase) / decrease in cash	23	(6 928 523)	5 489 614
NET CASH (GENERATED) / UTILISED		<u>2 217 201</u>	<u>5 575 046</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2006**

	<u>30/06/2006</u>	<u>30/06/2005</u>
1 ACCUMULATED FUNDS		
Consolidated Capital Development Fund	56 386 475	56 642 377
Public Improvement Fund	25 821 603	24 558 157
Loan Redemption Fund	5 930 097	5 930 097
Bursary Fund	-	-
Insurance Fund : General	480 396	636 960
(Refer to Appendix A for additional information)		
	<u>88 618 570</u>	<u>88 997 591</u>
2 RESERVES		
Indigent Relief Support	-	(203 148)
(Refer to Appendix A for additional information)		
	<u>-</u>	<u>(203 148)</u>
3 TRUST FUNDS		
Housing Lakeside	366 733	362 581
(Refer to Appendix A for additional information)		
	<u>366 733</u>	<u>362 581</u>
4 LONG TERM LIABILITIES		
Annuity Loans	22 543	22 543
	<u>22 543</u>	<u>22 543</u>
Less: Current portion transferred to current liabilities	-	-
(Refer to Appendix B for additional information)		
	<u>22 543</u>	<u>22 543</u>
5 CONSUMER DEPOSITS: SERVICES		
Electricity & Water	8 634 293	4 544 716
	<u>8 634 293</u>	<u>4 544 716</u>
6 FIXED ASSETS		
Fixed assets at the beginning of the year	255 689 736	202 014 212
Capital expenditure during the year	22 090 665	33 112 320
Less: Assets adjusted during the year	-	(20 563 204)
Fixed assets at the end of the year	277 780 401	255 689 736
Less: Loans redeemed and other capital income	(216 004 037)	(195 566 223)
Net Fixed Assets	<u>61 782 664</u>	<u>60 123 513</u>
(Refer to annexure C for additional information)		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

7 INVESTMENTS

Unlisted		
Call Deposits	13 424 841	23 450 337
Short Term Deposits	6 952 000	7 208 938
Long Term	11 308 390	13 744 724
Total Investments	<u>31 685 031</u>	<u>44 403 999</u>
Less: Provision irrecoverable investment	-	(3 573 244)
Less: Short term investments transferred to current assets	(20 378 641)	(30 859 275)
	<u>11 306 390</u>	<u>10 171 480</u>
Management's valuation of unlisted investments	31 685 031	40 830 755

Investments to the amount of R1 703 919 are ceded in favour of Eskom as guarantees for the purchase of electricity

8 LONG TERM DEBTORS

Sale of Erven, P.I. Fund & Connections	5 990	5 990
	<u>5 990</u>	<u>5 990</u>
Less: Short Term Portion	(5 990)	(5 990)
Total	<u>-</u>	<u>-</u>
	<u>2 781 832</u>	<u>2 848 880</u>

9 STOCK

10 DEBTORS

Consumer Debtors	28 119 052	28 334 350
Sundry Debtors	9 582 772	1 301 880
Other Debtors	4 154 331	1 030 271
Unidentified Deposits	(366 344)	(366 344)
Amount Paid in Advance	-	151 284
	<u>42 489 810</u>	<u>31 451 921</u>
Less: Provision for Doubtful Debtors	(16 846 478)	(15 928 677)
	<u>25 643 332</u>	<u>15 523 244</u>

11 PROVISIONS

Audit Costs	267 624	351 034
Staff Leave Payments	1 037 876	751 586
	<u>1 305 499</u>	<u>1 102 620</u>

12 CREDITORS

Retention	3 381 107	2 543 572
Trade Creditors	11 312 998	9 911 285
Deposits Other	125 288	198 749
Debtors in advance	-	1 079 006
Creditors Other	5 452 458	10 097 063
	<u>20 251 851</u>	<u>23 829 675</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

13 ASSESSMENT RATES

	SITE VALUATIONS	RATES INCOME 2005/2006	RATES INCOME 2004/2005
Residential	111 293 000	9 752 810	9 516 395
Business	62888500	7 441 255	6 939 492
Government	12343400	1 338 681	1 283 600
Donation : Sport & Welfare	1181000	142 136	139 367
Non - Taxable	33791630		-
Agricultural	125500	8 798	9 880
TOTALS	221 601 630	18 683 480	17 888 714

Valuations are performed every four years. The last general valuation came into effect on the 1 July 2003, except for Louwsburg which came into effect on 1 July 1994. The basic rates were as follows:-

	2005/2006	2004/2005
Properties on which a single dwelling is erected and used as such	0.11	0.10
All other properties	0.14	0.13
Bhekuzulu	0.07	0.07
Vaalbank	0.11	0.10
Hlobane	0.11	0.10
Thuthukani	0.11	0.10
Louwsburg	0.11	0.10
Mzamo	0.11	0.10
Edmondlo	0.02	0.02
The following rebates in respect of assessment rate were allowed:		
- All properties excluding those registered in the name of the State or State Departments as well as properties used as single dwelling units	15.75%	15.75%
- All erven zoned as town lands	50%	50%
- Further rebates, based on a sliding scale, for the pensioners and the needy aged, which vary between 10 % and 80% rebate		
- Agricultural	50%	50%

Hlobane , Vaalbank & Thuthukani became rateable as from date of proclamation of a town 1 September 2000.

14 COUNCILOR'S REMUNERATION

Speaker	217 841
Mayor's Allowance	248 280
Deputy Mayor's Allowance	217 841
Chairman Exco	
Member Exco	1 050 939
Councilor	1 876 944
	3 411 825

15 AUDITOR'S REMUNERATION

Audit Fees Paid	458 745	581 528
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

16 FINANCE TRANSACTIONS

Total external interest earned and paid:

Interest earned	2 683 007	2 680 576
Interest paid	-	(29 133)
	<u>2 683 007</u>	<u>2 651 443</u>

17 FINANCE TRANSACTIONS

Capital charges debited to operating account:

Interest : External	-	29 133
Internal	-	-
Redemption : External	-	-
Internal	4 661 463	4 388 707
	<u>4 661 463</u>	<u>4 427 840</u>

18 APPROPRIATIONS

Net Appropriations:

Accumulated surplus (deficit) at the beginning of this year

4 987 169

Operating surplus (deficit) for the year

5 030 048

Prior year adjustments:

Payments against previous years trading transaction

35 983

Other

(828 995)

Contributions to :

- Provision for Doubtful Debtors

(388 417)

- Provision for leave payment

(388 417)

- Provision for Audit Fees

-

Accumulated Surplus/ Deficit at the end of the year

10 063 200 \$ 4 987 169

Operating Account

Capital Expenditure

750 849

Contributions to:

Audit Fee Provision

373 336

Insurance Fund

586 650

Leave Payment Provision

108 500

Capital Development Fund

100 000

Indigent Reserve

286 289

Provision for Doubtful Debtors

478 100

-

203 149

1 638 541

1 000 000

2 688 814

2 173 660

19 CASH GENERATED BY OPERATIONS

Surplus (Deficit) for the year

5 030 048

Adjustments in respect of:

Previous year operating transactions

35 983

(828 995)

Appropriation charged against:

3 358 683

2 721 888

Capital Development Funds

Loans Redeemed Fund

Insurance Fund

108 500

100 000

Provisions and Reserves

2 488 314

2 073 630

Fixed Assets

750 849

548 215

Capital Charges:

Interest Paid Internal Advances

-

Interest Paid External Loans

-

Redemption Internal Advances

4 661 463

Investment Income

2 035 816

Interest earned (Operating Account)

(847 189)

Interest returned to Operating Account

-

(1 122 706)

Non-Operating Income:

824 248

271 686

- Expenditure charged against:

-

- Provisions and Reserves other than Capital Expenditure Funding

(1 175 485)

(2 405 779)

- Non-distributable reserve other than Capital Expenditure Funding

14 121 547

3 083 731

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

20 (INCREASE) DECREASE IN WORKING CAPITAL

(Increase)/Decrease in long term debtors	-	45 035
(Increase)/Decrease in stock	148 058	(75 907)
(Increase)/Decrease in debtors	(10 120 488)	570 311
(Increase)/Decrease in creditors	(4 345 029)	11 435 987
(Increase)/Decrease in consumer deposits	489 583	335 049
	<u>(13 827 876)</u>	<u>12 311 475</u>

21 (INCREASE) DECREASE IN EXTERNAL LOANS

Loans Repaid	-	(2 300 000)
	<u>-</u>	<u>(2 300 000)</u>

22 (INCREASE) DECREASE IN EXTERNAL INVESTMENTS

Investments made	(1 854 276)	(12 614 766)
Investments realised	11 000 000	15 000 000
	<u>9 145 724</u>	<u>2 385 232</u>

23 (INCREASE) DECREASE IN EXTERNAL CASH

Cash balance at the beginning of the year	3 078 253	8 588 087
Less: Cash balance at the end of the year	<u>(3 650 270)</u>	<u>(3 078 253)</u>
	<u>8 928 523</u>	<u>5 489 834</u>

24 CONSOLIDATED DEVELOPMENT FUND

Accumulated fund	66 386 475	55 842 377
Less: Internal advances	<u>(44 000 758)</u>	<u>(42 473 588)</u>
Invested	<u>12 385 717</u>	<u>13 368 809</u>

25 LOAN REDEMPTION FUND

Accumulated Funds	5 930 097	5 930 097
Less: Internal Advances	<u>(722 082)</u>	<u>(1 004 405)</u>
Invested	<u>5 208 015</u>	<u>4 925 692</u>

26 PUBLIC IMPROVEMENT FUND

Accumulated Funds	25 821 603	24 588 157
Less: Internal Advances	<u>(2 278 045)</u>	<u>(2 458 340)</u>
Less: Debtors	<u>(5 900)</u>	<u>(5 990)</u>
Less: Land	<u>(8 315 608)</u>	<u>(8 315 608)</u>
Invested	<u>15 223 950</u>	<u>13 808 219</u>

27 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

Matters where Abaqutui Municipality is the defendant against Plaintiff/Clients	-	500 000
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There are no contractual obligations or contingent liabilities of which management is aware of.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

28 CAPITAL COMMITMENTS

Commitments in respect of Capital Expenditure:

- Approved and contracted for	18 800 000
- Approved and not yet contracted for	37 960 000
	<u>56 760 000</u>

This expenditure will be financed from:

- Internal Sources	
- External Sources	56 750 000
- Other Sources	
- Provincial Government	
	<u>56 750 000</u>

29 ADDITIONAL INFORMATION IN TERMS OF SECTIONS 124 AND 125 OF THE MFMA

A. Municipal Entities

Under sole and shared control of the Municipality during 2005/2006	None	None
Under sole and shared control of the Municipality as at 30 June 2006	None	None

B. Contributions to Organised Local Government None

C. Amounts Paid Audit Fees

456 745	581 528
<u>456 745</u>	<u>581 528</u>

D. Bank Accounts

Abex Bank Marble Hall: Cheque Account no 405 2883972

Balance at beginning of year	(3 078 253)	8 588 067
Balance at end of year	3 860 270	(3 078 253)

E. Material Losses, Irregular, Fruitless, Wasteful or Unauthorised Expenditure None that management is aware of

F. Criminal or Disciplinary Steps taken as a result of the above None

G. Material Losses Recovered or Written Off None

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APPENDIX A: ACCRUED FUNDS, RESERVES, TRUST FUNDS AND PROVISIONS

	BALANCE AT 30/06/2005	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENTS	OTHER INCOME	EXPENDITURE DURING THE YEAR	BALANCE AT 30/06/2006
ACCUMULATED FUNDS						
Consolidated Capital Development Fund:						
Rates & General Capital Development Fund	28 282 582	-	-	-	-	28 282 582
Water Capital Development Fund	8 805 350	-	58 282	-	(29 831)	8 834 981
Electricity Capital Development Fund	20 954 485	-	1 028 933	-	(514 487)	21 468 932
LOAN REDEMPTION FUND	5 930 097	-	-	-	-	5 930 097
INSURANCE FUND	836 880	106 800	-	83 373	(348 437)	488 386
PUBLIC IMPROVEMENT FUND	24 988 157	-	985 983	740 873	(503 380)	26 211 633
BURSARY FUND	-	-	-	-	-	-
	88 987 961	106 800	2 084 168	824 246	(1 383 928)	89 515 147
RESERVES						
Indigent Relief Support	(203 149)	203 149	-	-	-	-
	(203 149)	203 149	-	-	-	-
PROVISIONS						
Audit Costs	351 034	373 335	-	-	(458 745)	265 624
Doubtful Debts (1)	15 928 677	1 836 541	-	-	(718 740)	16 046 478
Staff Leave	751 588	286 288	-	-	-	1 037 876
Irrecoverable Investments (3)	3 573 244	-	-	-	-	3 573 244
	20 604 543	2 296 164	-	-	(1 176 485)	21 724 222
TRUST FUNDS						
Housing Lakeside	382 551	-	28 152	-	-	410 703
	382 551	-	28 152	-	-	410 703

APPENDIX B: EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	BALANCE AT 30/06/2005	RECEIVED DURING YEAR	PAYMENTS DURING YEAR	BALANCE AT 30/06/2006
	R	R	R	R
Balance (stock Loans) brought forward	-			-
TOTAL STOCK LOANS	-	-	-	-
OTHER: OTHER EXTERNAL LOANS:				
Ratee and General : (Louwsburg) Interest free to be paid as and when Mzama lots are sold	22 543	-	-	22 543
Total Other External Loans	22 543	-	-	22 543
Grand Total: External Loans	22 543	-	-	22 543

APPENDIX B: EXTERNAL LOANS AND INTERNAL ADVANCES

INTERNAL ADVANCES	BALANCE AT 30/06/2005	RECEIVED DURING YEAR	REDEEMED OR WRITTEN OFF DURING YEAR	BALANCE AT 30/06/2006
	R	R	R	R
CAPITAL DEVELOPMENT FUND	41 877 099	6 320 815	4 196 856	44 000 758
- Rates and General Services	29 404 239	4 564 956	2 730 595	31 235 599
- Electricity Services	4 857 589	780 877	731 070	4 907 395
- Water Services	7 615 272	974 862	735 191	7 854 784
PUBLIC IMPROVEMENT FUND:	2 486 340	-	182 296	2 278 045
- Rates and General Services	1 743 342	-	130 508	1 612 834
- Electricity Services	249 180	-	17 143	232 037
- Water Services	485 818	-	34 644	431 174
LOAN REDEMPTION FUND:	1 004 404	-	282 312	722 092
- Rates and General Services	275 086	-	163 021	112 065
- Electricity Services	729 318	-	119 291	610 027
	45 339 843	6 320 815	4 661 463	46 998 895

APPENDIX C: ANALYSIS OF FIXED ASSETS

EXPENDITURE 2004/2005	SERVICE	BUDGET 2005/2006	BALANCE ON 30/06/2005	EXPENDITURE 2005/2006	WRITTEN OFF, REDEEMED OR DISPOSED 2006/2006	BALANCE ON 30/06/2006
		R	R	R	R	R
	RATES AND GENERAL SERVICES FIXED ASSETS					
	Airfield		187 109	-		187 109
	Afforestation		56 625	-		56 625
	Cemetery		49 183	-		49 183
	Municipal Buildings		7 131 975	56 327		7 188 302
	Parking Areas		114 800	-		114 800
	Parks & Gardens		356 690	-		356 690
	Land & Buildings: Bhekuzulu		8 189 024	-		8 189 024
	Swimming Bath		363 998	-		363 998
	Fencing		293 642	38 500		333 142
	Agricultural Plots		21 700	-		21 700
	Land		672 911	-		672 911
902 640	Roads & Streets		61 451 262	3 017 230		54 468 482
	Storm water Drainage		3 661 787	-		3 661 787
	Industrial Siding		42 025	-		42 025
5 902 123	Sewerage Scheme		33 827 582	9 778		33 837 328
	TV. Antennae		13 180	-		13 180
571 053	Town Planning		1 982 206	-		1 982 206
79 739	Sport Grounds		747 696	23 629		771 625
	Staff Housing		38 677	-		38 677
	Asset Lakeside		63 111	-		63 111
	Refuse Dump		615 944	254 139		1 070 083
	Parks Lakeside		38 235	-		38 235
	Emondlo Fencing		18 135	-		18 135
	Emondlo Library		3 194 626	-		3 194 626
	Emondlo Sport stadium		2 977 761	-		2 977 761
	Parks Development Emondlo		34 627	-		34 627
89 501	Recreation Facilities		617 676	-		617 676
	Commuter Facilities		862 470	-		862 470
	Emondlo Community Centre		1 287 418	-		1 287 418
	Emondlo Cultural Centre		189 020	-		189 020
	Mason Street Clinic		1 862 434	-		1 862 434
	Bhekuzulu Bridge		-	316 937		316 937
511 409	Blowies Project		7 296 319	-		7 296 319
366 590	Zulu Cultural Village		2 394 144	-		2 394 144
	Market Square		-	116 441		116 441
	Bhekuzulu Cemetery		-	189 298		189 298
11 321 865	SUB - TOTAL		126 831 662	4 023 279	-	132 854 941

APPENDIX C: ANALYSIS OF FIXED ASSETS

EXPENDITURE 2004/ 2005	SERVICE	BUDGET 2005/ 2006	BALANCE ON 30/06/2004	EXPENDITURE 2005/2006	WRITTEN OFF, REDEEMED OR DISPOSED 2005/2006	BALANCE ON 30/06/2005
	MOVEABLE ASSETS	R	R	R	R	R
	Arts & Objects		18 644	-		18 644
	Furniture & Equipment		1 479 376	322 724		1 802 100
52 903	Books Library		47 731	-		47 731
	Swimming Bath Equipment		10 670	-		10 670
481	Sundry Plant & Equipment		3 879 109	168 837		4 068 046
634 862	Data Processing		5 624 362	531 260		6 155 662
23 068	Sport Park Equipment		28 761	-		28 761
	Museum Exhibits		63 610	-		63 610
	Vehicles		7 215 365	-		7 215 365
	Equipment: Testing Station		8 390	-		8 390
103 363	Equipment: Traffic Department		749 041	-		749 041
8 447	Radios General		461 572	-		461 572
3 025	Artisan Tools		7 159	8 000		15 159
25 697	Office Equipment		697 520	1 028		698 548
	Fire Brigade		382 614	-		382 614
	Security Equipment		137 562	78 336		215 920
	Civil Defense Equipment		21 792	-		21 792
	Emondio Office Equipment		65 717	-		65 717
	Equipment Council Chamber		37 001	-		37 001
	Emondio Sundry Plant		34 771	-		34 771
	Emondio Radios		66 123	-		66 123
	Status Report Emondio		63 612	-		63 612
	Hobane Municipal Feasibility Study		-	-		-
	Vryheid Development Potential		210 238	-		210 238
	Emondio Township Register		184 186	-		184 186
	Emondio Library Furniture		866	-		866
	Land Use Management System		132 364	-		132 364
	Valuation Roll		173 509	-		173 509
	Integrated Development Plan		207 563	-		207 563
				259 448		259 448
1 162 186	Sub Total	-	22 648 886	1 386 736	-	23 428 322
12 474 141	TOTAL RATES AND GENERAL	-	150 672 250	6 409 014	-	156 281 264
	ABATTOIR SERVICE	R	R	R	R	R
	Old Buildings		8 751			8 751
	Total Abattoir		8 751	-	-	8 751

APPENDIX C: ANALYSIS OF FIXED ASSETS

EXPENDITURE 2004/2005	SERVICE	BUDGET 2005/2006	BALANCE ON 30/06/2005	EXPENDITURE 2005/2006	WRITTEN OFF, REDEEMED OR DISPOSED 2005/2006	BALANCE ON 30/06/2006
	ELECTRICITY SERVICE					
	Property & Permanent Works					
	Building		87 410	-		87 410
3 248 724	Mains & Service		34 411 454	838 430		35 250 884
	Railway Sidings		871	-		871
	Land		32 690	-		32 690
3 248 724	Total Property & Permanent Works		34 842 425	838 430	-	35 381 855
	MOVEABLE ASSETS					
	Prepaid Meters		3 178 825	381 753		3 560 578
56 032	Tools & Instruments		866 841	188 546		1 055 387
	Plant & Equipment		1 095 689	17 782		1 113 471
11 113	Furniture & Office Equipment		92 518	30 225		122 743
3 624	Radios		41 811	170 250		212 061
	Street Lighting		1 384 288	364 211		1 728 477
1 522	Vehicles		788 845	-		788 845
	Robots		183 740	-		183 740
75 391	Sub Total		7 592 835	1 133 787	-	8 726 302
3 322 118	Total Electricity		42 134 960	1 973 187	-	44 108 167
	WATER SERVICES					
	Property & Permanent Works					
	Storage Dams		8 759 868	-		8 759 868
	Purification Works		1 713 741	-		1 713 741
102217T			-	-		-
4 058 808	Mains Pipelines & Reservoirs		22 375 108	6 487 929		27 843 038
	Water Meter		1 474 815	95 741		1 570 556
	Water Plant Tools and Equipment		3 528 922	1 630 308		5 159 231
5 000	Klipfontein Dam		59 601	48 507		108 108
102217T			-	-		-
4 064 808	Total Water Services		36 812 053	7 243 487	-	43 155 540
	HOUSING SERVICE	R	R	R	R	R
	Staff Housing		23 300	-		23 300
8 872 851	Bhelezi Phase 6A & 6B		8 223 010	6 525 699		13 748 699
8 578 307	Lourenburg Housing Scheme		10 198 810	-		10 198 810
	Slum Clearance Project Phase 1		-	1 308 715		1 308 715
	Coronation Housing		-	838 565		838 565
13 251 258	Total Housing Service	-	18 445 120	7 471 189	-	25 916 288

APPENDIX C: ANALYSIS OF FIXED ASSETS

EXPENDITURE 2006/ 2005	SERVICE	BUDGET 2005/ 2006	BALANCE ON 30/06/2005	EXPENDITURE 2006/2005	WRITTEN OFF, REDEEMED OR DISPOSED 2006/2005	BALANCE ON 30/06/2006
	PUBLIC IMPROVEMENT FUND					
-	Land		1 940 570	-		1 940 570
	Deferred Charges		277	-		277
	Survey Costs		445 062	-		445 062
	Development Costs		5 447 716	-		5 447 716
	Industrial Sidings		29 000	-		29 000
	Bhekuzulu Houses		452 981	-		452 981
-	Total Public Improvement Fund		8 315 606	-	-	8 315 606
33 112 322	TOTAL FIXED ASSETS	-	285 689 740	22 096 866	-	277 786 808

APPENDIX C: ANALYSIS OF FIXED ASSETS

SERVICE	BALANCE AT 30/06/2005	EXPENDITURE 2006	WRITTEN OFF, TRANSFERRED OR DISPOSED OF 2005/2006	BALANCE AT 30/06/2006
	R	R	R	R
RATES AND GENERAL SERVICES FIXED ASSETS				
Stock Loans Redeemed	4 751 858	-	-	4 751 858
Loans Redeemed: External	11 201	-	-	11 201
P.I.F. Advances Redeemed	1 287 907	130 508	-	1 418 415
C.D.F. Advances Redeemed	15 585 885	2 730 585	-	18 316 480
Rev. Add. Advances Redeemed	881 191	-	-	881 191
Loans Redeemed Bhokuzulu	4 645 893	-	-	4 645 893
L.R.F. Advances redeemed	3 982 892	163 021	-	4 155 713
Loans Repaid Ex Revenue	3 347 531	-	-	3 347 531
Contribution Ex Comp. Reserve	2 703 490	-	-	2 703 490
Contribution Ex Revenue: Bhokuzulu	1 206 499	-	-	1 206 499
Contribution Ex Revenue	8 051 240	145 769	-	8 197 009
Grants	62 618 654	1 874 630	-	64 493 284
Sinking Costs Recovered	18 682	-	-	18 682
Parking Space Development	215 489	-	-	215 489
Surplus on Land Re-valuation	294 810	-	-	294 810
Ex Reserve Funds	3 723 161	-	-	3 723 161
Land Endowed	312 240	-	-	312 240
Advance Ex Revenue Lakeside	11 299	-	-	11 299
Contribution Ex D & R Fund	24 727	-	-	24 727
Contribution Emondlo Income	123 125	-	-	123 125
Emondlo Reserve Fund	-	-	-	-
N.D.R. Grants Unutilised	-	-	-	-
	113 607 554	5 044 523	-	118 652 077
ABBATOIR SERVICE				
Annuity Loans Redeemed	4 431	-	-	4 431
Loans Redeemed Ex Sinking Fund	5 321	-	-	5 321
TOTAL ABBATOIR SERVICE	9 752	-	-	9 752

APPENDIX C: ANALYSIS OF FIXED ASSETS

	R	R	R	R
ELECTRICITY SERVICES				
Stock Loans Redeemed	3 215 000	-	-	3 215 000
Loans Fully Redeemed	566 404	-	-	566 404
P.I.F Loans Redeemed	152 174	17 143	-	169 317
Other Internal Loans Redeemed	6 053 756	-	-	6 053 756
Loans Partially Repaid	1 682 539	850 361	-	2 532 900
Contribution From Revenue	8 971 240	528 782	-	7 498 002
Contribution From Consumers	47 341	-	-	47 341
Sinking Fund Surplus	17 830	-	-	17 830
Contribution From D & R Fund	368 069	-	-	368 069
Grants	11 586 114	90 000	-	11 676 114
Emondlo Reserve	3 689 755	-	-	3 689 755
N.D.R. Grants Unutilised	-	-	-	-
TOTAL	34 550 322	1 484 266	-	36 034 588
WATER				
Stock Loans	9 897 000	-	-	9 897 000
Loans Redeemed External	9 439	-	-	9 439
Ex Reserve Fund	644 295	-	-	644 295
Annuity Loans Redeemed	206 118	-	-	206 118
Loans Fully Redeemed	337 381	-	-	337 381
Loans Ex C.D.F. Repaid	5 342 088	735 191	-	6 077 279
Contribution Ex D & R Fund	9 950	-	-	9 950
Contribution From Revenue	2 402 176	78 318	-	2 480 494
Grants and Subsidies	11 223 193	5 589 704	-	16 812 897
Loans Ex P.I. Fund Repaid	205 301	34 644	-	239 945
Water Contributions	120 918	-	-	120 918
N.D.R. Grants Unutilised	-	-	-	-
TOTAL	30 397 859	6 437 857	-	36 835 716
HOUSING SERVICE	R	R	R	R
Loans Redeemed	23 300	-	-	23 300
Grants: Bhokuzulu Phase 6A	3 029 699	7 471 168	-	10 500 867
Grants : Louwburg Housing	13 747 737	-	-	13 747 737
N.D.R. Grants Unutilised	-	-	-	-
TOTAL	16 800 736	7 471 168	-	24 271 904
TOTAL LOANS REDEEMED AND OTHER CAPITAL RECEIPTS	196 666 223	20 437 814	-	216 004 037
NETT FIXED ASSETS	60 123 617	1 659 061	-	61 782 688

APPENDIX D: ANALYSIS OF OPERATING INCOME AND EXPENDITURE

ACTUAL 30/06/2005		ACTUAL 30/06/2006	BUDGET 30/06/2006
	REVENUE		
12 177 639	Government and Provincial Grants	20 615 426	
93 920 896	Income from tariffs, service charges etc.	103 596 195	
106 098 535		124 211 620	-
	EXPENDITURE		
48 775 803	Salaries, Wages and Allowances	49 089 440	
62 718 671	General Expenditure	72 858 125	
6 798 418	Repairs and Maintenance	9 228 943	
4 427 840	Capital Charges	4 661 463	
548 215	Contribution to Fixed Assets	750 849	
2 234 108	Contribution	2 605 814	
123 501 051	Gross Expenditure	139 192 634	-
(17 855 516)	Less: Amounts charged out	(20 011 061)	
105 645 535		119 181 572	-

APPENDIX E: DETAILED INCOME STATEMENT

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPENDITURE	2004/2005 ACTUAL SURPLUS (DEFICIT)	SERVICE	2005/2006 ACTUAL INCOME	2005/2006 ACTUAL EXPENDITURE	2006/2006 ACTUAL SURPLUS (DEFICIT)	2006/2006 BUDGET SURPLUS (DEFICIT)
51 948 118	53 379 885	(1 411 747)	RATES AND GENERAL SERVICES	52 386 408	50 055 248	2 311 158	-
33 624 863	28 788 188	5 038 885	COMMUNITY SERVICE	51 357 596	53 981 208	7 596 382	-
17 704 401	-	17 704 401	Assessment Rates	18 398 994	-	18 398 994	-
-	1 058	(1 058)	Civil Defence	-	-	-	-
302 398	848 592	(344 198)	Clinic	(9 657)	895 348	(705 005)	-
4 372 911	2 241 385	2 131 448	Council General Expenses	15 059 815	12 678 006	2 381 809	-
-	134 886	(134 886)	Data Processing	1 327 574	1 481 057	(133 383)	-
-	85 000	(85 000)	Grants	-	85 000	(85 000)	-
7 135	1 489 475	(1 482 340)	Human Resources	45 490	1 402 388	(1 356 898)	-
-	138 988	(138 988)	Information	26 000	178 183	(151 183)	-
-	93 188	(93 188)	Loan Charges	-	93 188	(93 188)	-
-	508 788	(508 788)	Municipal Head Office	-	484 017	(484 017)	-
27 000	716 421	(689 421)	Public Health	249 173	827 416	(578 243)	-
184 974	2 418 344	(2 233 370)	Public Works	130 089	3 096 688	(2 966 599)	-
-	284 284	(284 284)	Security	1 413 912	1 777 071	(363 159)	-
-	584 305	(584 305)	Municipal Manager	1 180 225	1 388 988	(208 743)	-
-	5 708 520	(5 708 520)	Town Engineer Works	2 181 152	8 044 544	(5 863 491)	-
54 343	728 275	(671 932)	Engineering Services Civil	1 205 773	1 817 184	(611 391)	-
18 078	1 107 915	(1 089 837)	Town Planning	33 352	588 205	(554 853)	-
-	1 283 883	(1 283 883)	Corporate Services	2 084 325	3 353 827	(1 269 502)	-
1 982 289	3 881 179	(1 898 890)	Finance	5 898 488	8 521 944	(2 623 456)	-
758 218	3 484 787	(2 726 569)	Public Safety	1 315 818	3 824 833	(2 509 015)	-
-	172 938	(172 938)	Bhekuzulu Welfare Admin	-	189 885	(189 885)	-
-	8 805	(8 805)	Lakeside Community Hall	1 470	13 981	(12 491)	-
-	448 178	(448 178)	Edmondlo Streets	-	391 408	(391 408)	-
249 679	-	249 679	Edmondlo Property Charges	206 744	-	206 744	-
5 228 707	554 242	4 674 465	Edmondlo Administration	6 289 378	545 371	5 723 007	-
-	833 552	(833 552)	Edmondlo Engineering Services	-	810 937	(810 937)	-
172 806	167 308	5 498	Hlobane Administration	-	-	-	-
-	-	-	Hlobane Streets	-	55 978	(55 978)	-
353	79 338	(79 006)	Louisa - Town Treasurer	420	106 473	(106 053)	-
47 208	8 950	40 258	Louisa - General Expenses	53 753	7 402	46 351	-
-	72 786	(72 786)	Louisa - Civil Works	-	106 589	(106 589)	-
-	196 880	(196 880)	Mkongohane - Admin	-	221 800	(221 800)	-
-	484 871	(484 871)	Mkongohane - Roads	-	618 048	(618 048)	-
2 730 897	181 111	2 549 786	Coronation - Admin	4 311 205	188 832	4 121 573	-

APPENDIX E: DETAILED INCOME STATEMENT

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPENDITURE	2004/2005 ACTUAL SURPLUS (DEFICIT)	SERVICE	2005/2006 ACTUAL INCOME	2005/2006 ACTUAL EXPENDITURE	2005/2006 ACTUAL SURPLUS (DEFICIT)	2005/2006 BUDGET SURPLUS (DEFICIT)
1 853 402	11 386 631	(9 743 129)	SUBSIDISED SERVICES	2 059 843	11 236 443	(9 176 500)	-
3 841	28 365	(24 524)	Airport	3 439	27 877	(24 438)	
81 806	293 430	(211 524)	Caravan Park	75 500	278 218	(202 718)	
56 042	728 055	(689 983)	Cecil Emmett Park	88 500	901 234	(835 734)	
154 377	916 404	(762 027)	Cemetery	163 738	900 313	(736 577)	
-	234 542	(234 542)	Fire Brigade	-	217 788	(217 788)	
46 102	1 294 057	(1 247 955)	Library	43 748	1 282 924	(1 239 176)	
2 143	-	2 143	Licences	2 749	-	2 749	
55 000	211 110	(156 110)	Museum	88 660	283 062	(175 402)	
18 561	56 079	(38 518)	Grootgewest Recreation Area	14 383	58 407	(45 043)	
-	873 083	(873 083)	Community Services - Parks	182 357	803 643	(741 286)	
88 128	220 618	(132 489)	Klipfontein Recreational	153 131	221 238	(68 106)	
10 640	-	10 640	Town Lands: Louwsburg	10 292	-	10 292	
872	145	727	Public Halls: Louwsburg	2 386	530	1 856	
-	4 831 267	(4 831 267)	Development & Maintenance Parks	-	4 998 925	(4 998 925)	
-	513	(513)	Parks Works	-	237	(237)	
25 200	38 865	(11 865)	Railway Sidings	25 200	39 281	(14 081)	
13 203	408 086	(394 883)	Swimming Pool	16 155	348 138	(331 983)	
1 062 959	565 489	487 490	Vehicle and Driver Testing	1 173 678	502 338	571 338	
5 726	1 817	3 909	Louwsburg - Cemetery	7 483	800	6 683	
35 077	88 778	(51 701)	Edmondia - Cemetery	47 539	108 701	(61 162)	
3 482	3 482	(0)	Hobane - Cemetery	5 800	1 381	4 419	
-	2 125	(2 125)	Louwsburg - Library	10	-	10	
1 513	284 078	(282 565)	Nkongohane - Parks	-	82 198	(82 198)	
-	243 164	(243 164)	Coronation Bio Project	-	19 237	(19 237)	

APPENDIX E: DETAILED INCOME STATEMENT

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPENDITURE	2004/2005 ACTUAL SURPLUS (DEFICIT)	SERVICE	2006/2006 ACTUAL INCOME	2006/2006 ACTUAL EXPENDITURE	2006/2006 ACTUAL SURPLUS (DEFICIT)	2006/2006 BUDGET SURPLUS (DEFICIT)
16 490 663	13 196 166	3 294 497	ECONOMICAL SERVICES	18 948 673	16 457 896	3 491 278	-
4 194 171	3 733 219	460 952	Cleansing Services and Refuse	5 185 222	4 663 552	499 870	
-	846 547	(846 547)	Sewerage Purification	11 036	1 162 808	(1 141 571)	
8 223 969	4 031 463	4 192 486	Sewerage Networks	5 863 325	2 266 925	4 716 400	
-	(57 432)	57 432	Stores	525 838	718 311	107 525	
952 851	235 331	717 520	Vehicle Licences	931 103	313 048	618 055	
-	262 239	(262 239)	Mechanical Workshops	38 189	385 520	(347 351)	
1 064 030	442 216	621 814	Edmondlo Refuse	1 694 713	842 651	852 062	
1 503 444	1 573 052	(69 608)	Edmondlo Sewerage Networks	2 348 799	2 533 896	(205 096)	
338 561	1 214 465	(876 104)	Hlobane Refuse and Sewer	572 481	1 373 113	(800 551)	
107 609	164 647	(57 038)	Lourensburg Refuse Removal	332 980	364 913	(21 933)	
-	132 120	(132 120)	Nkongolwane - Refuse	2 263	184 892	(182 529)	
-	154 601	(154 601)	Nkongolwane - Sewerage	14 944	45 487	(30 543)	
-	191 707	(191 707)	Coronation - Refuse	2 263	273 960	(271 717)	
6 228	200 971	(194 743)	Coronation - Sewerage	27 758	348 704	(320 946)	
83 257	25 913	27 344	HOUSING SERVICES	41 626	21 732	19 882	-
44 282	25 913	18 349	Municipal Housing	31 100	18 108	12 992	
6 182	-	6 182	Bhezukulu Housing	1 651	-	1 651	
2 803	-	2 803	Bhezukulu Hostels	8 844	3 524	5 220	

APPENDIX E: DETAILED INCOME STATEMENT

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPENDITURE	2004/2005 ACTUAL SURPLUS (DEFICIT)	SERVICE	2006/2006 ACTUAL INCOME	2006/2006 ACTUAL EXPENDITURE	2006/2006 ACTUAL SURPLUS (DEFICIT)	2006/2006 BUDGET SURPLUS (DEFICIT)
54 077 165	52 239 757	1 837 408	TRADING SERVICES	61 814 861	58 116 653	2 698 208	-
44 885 280	42 423 150	2 462 131	ELECTRICITY SERVICES	60 707 337	47 836 890	2 771 447	-
-	5 541 838	(5 541 938)	Electricity Admin	-	5 959 161	(5 959 161)	
39 269 197	22 810 001	16 449 196	Vryheid Distribution	45 596 857	28 170 148	17 425 709	
-	28 592	(28 592)	Vryheid Robots Control	-	30 161	(30 161)	
-	539 874	(539 874)	Vryheid Streetlighting	-	888 994	(888 994)	
-	3 020 512	(3 020 512)	Works Department	1 432 049	4 083 508	(2 651 460)	
2 585 455	5 270 305	(2 684 850)	Edmondlo Distribution	3 741 776	5 877 674	(1 935 898)	
2 841 092	4 313 134	(1 472 042)	Hobane Distribution	1 636 524	4 356 737	(2 720 213)	
199 645	888 002	(688 357)	Coronation	301 128	969 517	(668 389)	
9 191 876	9 816 888	(624 723)	WATER SERVICES	11 107 314	11 178 763	(71 449)	-
8 903 983	4 624 850	2 379 213	Water Distribution	8 863 542	5 184 928	3 708 613	
-	2 159 086	(2 159 086)	Vryheid Water Purification	11 036	2 004 322	(1 993 286)	
1 446 084	1 117 081	328 003	Edmondlo Water Purification	994 578	1 887 661	(893 083)	
393 251	922 388	(529 137)	Hobane	402 145	1 112 384	(710 239)	
176 485	615 067	(438 582)	Louwsburg	198 488	884 215	(685 727)	
130 948	142 720	(11 772)	Nkongolwane	164 200	109 241	74 959	
140 287	135 847	4 440	Coronation	333 344	217 031	116 313	
106 988 840	105 645 535	453 305	TOTAL	144 222 882	138 192 634	6 030 248	-
		(1 226 412)	Appropriation for the year (refer note 18)			35 983	
		(772 407)	Net Surplus/(Deficit) For The Year			5 000 031	
		5 759 576	Unappropriated surplus/(deficit) at the beginning of the year			4 987 168	
		4 987 168	Unappropriated Surplus/(Deficit) at the end of the year			10 053 290	

APPENDIX F : STATISTICAL INFORMATION

	2005/2006	2004/2005
a) GENERAL STATISTICS		
i) Population	224546	191022
ii) Registered Voters	74600	51414
iii) Valuation of residential properties	111 293 000	110 833 000
iv) Valuation of commercial properties	62 866 500	62 503 500
v) Valuation of rateable properties: Land	192 599 900	191 668 700
vi) Valuation of rateable properties: Improvements	1 019 073 500	884 768 750
vii) Valuation of non- rateable properties: Land	29 001 130	29 498 330
viii) Valuation of non- rateable properties: Improvements	71 856 020	
	221 661 030	221 167 030
ix) Date of valuation	01/07/2003	
x) Number of stands - residential and commercial	Not available	
xi) Assessment rate on land	0.1095	0.1028
xii) Assessment rate on improvements	N/A	N/A
b) WATER STATISTICS		
i) Number of Consumers	12 479	13106
ii) Kilolitres Purified	7 022 481	7225517
iii) Kilolitres Sold (Total)	2 536 932	2537580
iv) Kilolitres Lost in Distribution	4 482 549	4687937
v) % Lost in Distribution	63.83%	64.88%
vi) Total Costs (Expenses)	11 179 763	9818599
vii) Cost Per Kilolitres Purified	1.592	1.359
TOTAL COST LOST THROUGH DISTRIBUTION**	7 136 200.93	6 369 038.74
**The actual loss in n distribution cannot be determined in view of the fact that eMondlo's consumers are not billed. The difference between water purified and sold can therefore not be regarded as lost in distribution, seeing that a large percentage of it		

APPENDIX F : STATISTICAL INFORMATION

c) ELECTRICITY STATISTICS		
i) Number of consumers (residential & commercial)	13 255	13 389
ii) Units purchased (kwh)	134 875 747	138 170 007
iii) Units sold (Total)	115 993 592	113 013 520
iv) Units lost in distribution (ii - iii)	18 882 155	25 156 487
v) Units lost in distribution % of (ii)	14.00%	18.21%
vi) Total cost (Expences)	25 476 726	42 423 156
vii) Cost per unit purchased	0.1889	0.3070
TOTAL COST LOST THROUGH DISTRIBUTION	3 665 656.74	7 723 945.64

STATISTICAL INFORMATION ASSESSMENT RATES
FIN YEAR END 30/06/2006

TARIFF	TARIFF DESCRIPTION	2006/2006					
		RATEABLE			NON-RATEABLE		
		LAND VALUE	IMPROVEMENT VALUE	RAISED	LAND VALUE	IMPROVEMENT VALUE	RAISED
100	Non - taxable				8 488 930	-	-
101	Rates other	54 028 000	-	6 366 406			
102	Residential	70 707 000	-	7 725 690			
103	Commercial /Industrial	817 000	-	110 618			
104	Government	11 376 400	-	1 269 960			
105	Rates Monthly Residential	16 498 000	-	502 139			
106	Rates Monthly Business	2 126 000	-	246 667			
107	Mzamo State	39 500	-	4 431			
108	Mzamo Churches		-	-	58 500	-	-
110	Hlobane Residential	478 500	-	17 804			
111	Hlobane Exempted	112 500	-	13 288			
113	Hlobane Exempted		-	-	4 300	-	-
115	Vaalbank Residential	534 000	-	57 119			
116	Vaalbank Business	39 500	-	4 666			
118	Vaalbank Exempted		-	-	20 000	-	-
120	Non - taxable		-	-	9 585 800	-	-
121	Non - taxable		-	26	608 600	-	-
122	Non - taxable		-	-	8 508 600	-	-
125	Tutukani Residential	833 500	-	70 883			
126	Tutukani Business	29 000	-	3 425			
127	Tutukani State	15 000	-	2 103			
128	Tutukani Exempted		-	-	64 600	-	-
150	Donation Sport Bodies	612 500	-	71 777			
151	Non - taxable	998 500	-	-			
152	Donation : Care of the Elderly	437 000	-	51 618			
153	Donation: Organisations	85 500	-	13 397			
155	Donation: Welfare Organisations	48 000	-	5 345			
156	Non - taxable	3 478 000	-	-			
160	Pension Rebate : 10%	54 000	-	5 064			
161	Pension Rebate : 20%	215 500	-	19 170			
162	Pension Rebate : 60%	54 000	-	2 365			
163	Pension Rebate : 80%	588 500	-	11 648			
180	Townlands & Agricultural	63 000	-	4 418			
190	Taxable (Special Consent)	8 172 000	-	985 304			
190	Agriculture (ward G)	62 500	-	4 381			
191	Bhekuzulu Single Dwelling	12 849 500	-	612 336			
192	Bhekuzulu state Property	551 000	-	40 316			
193	Bhekuzulu Churches		-	-	226 000	-	-
194	Bhekuzulu Business	61 500	-	4 498			
195	Bhekuzulu Special Consent	32 500	-	2 376			
196	Bhekuzulu Rentals	6 628 500	-	484 231			
197	Bhekuzulu Council Property		-	-	1 529 000	-	-
		192 599 900	-	18 683 460	29 001 130	-	-

STATISTICAL INFORMATION ASSESSMENT RATES
FIN YEAR END 30/06/2005

TARIFF	TARIFF DESCRIPTION	2004/2005					
		RATEABLE			NON-RATEABLE		
		LAND VALUE	IMPROVEMENT VALUE	RAISED	LAND VALUE	IMPROVEMENT VALUE	RAISED
100	Non - taxable				8 352 430	3 315 020	-
101	Rates other	53 573 500	184 264 800	5 928 087			
102	Residential	70 608 500	410 142 000	7 255 014			
103	Commercial /Industrial	914 000	3 815 800	118 203			
104	Government	11 440 400	888 450	1 187 837			
105	Rates Monthly Residential	16 890 000	106 245 500	577 028			
106	Rates Monthly Business	1 582 500	5 058 500	167 175			
107	Mzamo State	63 500	-	-			
108	Mzamo Churches			15	298 000	-	-
110	Hlobane Residential	206 000	1 682 000	20 755			
111	Hlobane Exempted	111 500	3 224 000	12 362			
113	Hlobane Exempted	4 300	-	-			
115	Vaalbank Residential	534 000	6 279 000	64 694			
116	Vaalbank Business	39 500	283 500	4 379			
118	Vaalbank Exempted			-	20 000	-	-
120	Non - taxable			-	9 570 300	5 212 000	-
121	Non - taxable			-	718 500	26 000	-
122	Non - taxable			-	8 650 100	83 000	-
125	Tutukani Residential	633 500	4 648 000	85 678			
126	Tutukani Business	29 000	288 000	3 216			
127	Tutukani State	16 000	128 000	1 974			
128	Tutukani Exempted			-	64 500	318 000	-
150	Donation Sport Bodies	621 500	2 959 500	68 907			
151	Non - taxable	998 500	8 598 000	-			
152	Donation : Care of the Elderly	437 000	6 621 000	48 481			
153	Donation: Organisations	182 500	379 000	16 908			
155	Donation: Welfare Organisations	46 000	118 000	5 100			
156	Non - taxable	3 508 000	19 397 500	-			
160	Pension Rebate : 10%	25 000	-	1 486			
161	Pension Rebate : 20%	158 000	-	14 200			
162	Pension Rebate : 60%	157 500	-	6 476			
163	Pension Rebate : 80%	433 000	-	8 493			
180	Townlands & Agricultural	63 000	84 500	4 145			
190	Taxable (Special Consent)	8 079 500	49 380 000	897 923			
190	Agriculture (ward G)	62 500	-	5 714			
191	Bhekuzulu Single Dwelling	12 812 500	50 152 000	878 648			
192	Bhekuzulu state Property	557 000	5 388 500	38 210			
193	Bhekuzulu Churches				231 000	1 197 500	-
194	Bhekuzulu Business	61 500	124 000	3 979			
195	Bhekuzulu Special Consent	32 500	122 000	2 596			
196	Bhekuzulu Rentals	6 620 000	14 682 500	454 567			
197	Bhekuzulu Council Property				1 585 500	7 194 500	-
		191 668 700	884 768 780	17 868 714	29 498 330	17 348 020	-